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DEPARTMENT OF EDUCATION

34 CFR Part 685

RIN 1840-AD17

[Docket ID ED-2014-OPE-0082]

William D. Ford Federal Direct Loan Program

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Announcement of early implementation date.

SUMMARY: The U.S. Department of Education (Department) is establishing the date for early implementation of the William D. Ford Federal Direct Loan (Direct Loan) Program regulations that update the standard for determining if a potential parent or student borrower has an adverse credit history for purposes of eligibility for a Direct PLUS Loan (PLUS loan). These regulations also require parents and students who have an adverse credit history, but who are approved for a PLUS loan on the basis that extenuating circumstances exist or by obtaining an endorser for the PLUS loan, to receive loan counseling before receiving the PLUS loan.

DATES: The early implementation date for §685.200(b)(5) and (c), published in the Federal Register on October 23, 2014 (79 FR 63317), is March 29, 2015.

FOR FURTHER INFORMATION CONTACT: For information about the Direct PLUS Loan Program or how to apply for a Direct PLUS Loan, call the Federal Student Aid Information Center (FSAIC) at 1-800-4FEDAID (1-800-433-3243). For information regarding the establishment of this early implementation date, contact Sue O'Flaherty, U.S. Department of Education, Federal Student Aid, 830 First Street NE., Union Center Plaza, room 64E1, Washington, DC 20202-5345. Telephone: (202) 377-3393 or by email at: [sue.oflaherty@ed.gov](mailto:sue.oflaherty@ed.gov).

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 482(c) of the Higher Education Act of 1965, as amended (HEA), requires that regulations affecting programs under title IV of the HEA be published in final form by November 1 prior to the start of the award year (July 1) to which they apply. However, that section of the HEA also permits the Secretary to designate any regulation as one that an entity subject to the regulations may choose to implement earlier, and to specify the conditions for early implementation.

On October 23, 2014, the Department issued final regulations in 34 CFR part 685 for the PLUS Loan Program (79 FR 63317). In the preamble to the final regulations, the Secretary announced the Department's intent to implement the new Direct PLUS Loan Program regulations as soon as possible.

#### Implementation Date of These Regulations

The Secretary is exercising the authority under section 482(c) of the HEA to designate the following amended regulations in 34 CFR part 685 for early implementation beginning on March 29, 2015:

- (1) Section 685.200(b)(5); and
- (2) Section 685.200(c).

The Secretary will implement the provisions in 34 CFR 685.200(b)(5) and 34 CFR 685.200(c) for student and parent PLUS loan applicants beginning on March 29, 2015, as part of the Department's Common Origination and Disbursement (COD) System new award year release. For all PLUS Loan credit checks conducted on or after March 29, 2015, the Secretary will use the standards established in the final regulations published on October 23, 2014, to determine if an adverse credit history exists. In addition, the Secretary will make PLUS Loan counseling available to borrowers who are determined to have adverse credit

histories on or after March 29, 2015, but who qualify for a PLUS Loan due to extenuating circumstances or by obtaining an endorser. Finally, while required only for certain PLUS Loan applicants, the new PLUS Loan counseling will be available for all PLUS Loan borrowers, beginning on March 29, 2015.

Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print, audiotape, or compact disc) on request to the contact person listed under FOR FURTHER INFORMATION CONTACT.

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Dated: January 9, 2015.

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Arne Duncan,  
Secretary of Education.

[FR Doc. 2015-00462 Filed 01/13/2015 at 8:45 am;

Publication Date: 01/14/2015]